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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/574,294	05/19/2000	Stephen G. Bodurtha	0326-136A	7981
9629	7590	02/28/2006	EXAMINER	
MORGAN LEWIS & BOCKIUS LLP 1111 PENNSYLVANIA AVENUE NW WASHINGTON, DC 20004			ALPERT, JAMES M	
			ART UNIT	PAPER NUMBER
			3624	

DATE MAILED: 02/28/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/574,294

Applicant(s)

BODURTHA ET AL.

Examiner

James Alpert

Art Unit

3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 28 November 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-4,24,25,30,34 and 39 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-4,24,25,30,34 and 39 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

### **DETAILED ACTION**

The following communication is in response to Applicant's filing of 11/28/2005. Applicant's filing was in a response to a restriction requirement made by the Office.

#### ***Election/Restrictions***

Applicant's election of Invention 1, Claims 1-6,24-25,30,34,39, drawn to a system for managing one or more Security Receipts, is acknowledged. Although applicant "disagrees with the reasoning" of the Office, as it relates to the restriction requirement, because applicant did not distinctly and specifically point out the supposed errors in the restriction requirement, the election has been treated as an election without traverse (MPEP § 818.03(a)).

#### ***Status of Claims***

It is not clear from the record whether the previous examiner entered the supplemental amendment faxed to the office on 02/26/2003. However as mentioned in the restriction requirement, they have been entered. As it currently stands, Claims 5-6 are original. Claims 1,2-4,24-25,30,34,39 are previously presented, and Claims 7-23,26-29,31-33,35-38,40-50 are withdrawn from further consideration pursuant to 37 CFR 1.142(b) as being drawn to a nonelected inventions, there being no allowable generic or linking claim.

#### ***Response to Arguments***

The previous examiner advanced several grounds of rejections related to the application in a non-final office action mailed 4/20/2004. The current examiner has

reviewed all of Applicants' remarks filed 05/28/2004, but will limit the response only to the claims that remain pending (1-6,24-25,30,34,39).

**With regard to the rejections under 35 U.S.C. 102(e)**, based on Weiss, U.S. Patent 5987435, and applied to Claims 1-4 and 6, Applicant's arguments are persuasive, and these rejections are hereby withdrawn.

**With regard to the rejections under 35 U.S.C. 103(a)**, based on the Telebras HOLDR's binder (hereinafter "TLBHOLDERS"), and applied to Claims 1-6, it is unclear whether the previous examiner considered Applicant's supplement amendment insisting that the underlying securities of a Security Receipt be based on pre-existing securities. The examiner concedes that TLBHOLDERS does not teach this limitation. Further, and in regard to Claim 5, the current examiner finds persuasive Applicants' argument that TLBHOLDERS binder does not expressly teach voting rights. As such, the 103 rejections, as they were presented in the action dated 4/20/2004, are hereby withdrawn. However, upon further consideration, the current examiner finds that TLBHOLDERS discloses many other features of Applicants invention, and this reference serves as the basis for new grounds of rejections, discussed below.

#### ***Claim Rejections - 35 USC §112***

The text of 35 U.S.C §112 (2<sup>nd</sup> paragraph), not included in this action, can be found in a prior Office Action. Claims 1,2-4,24-25,30,34,39 are rejected under §112 as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The examiner will move forward with the

following 112 rejections, and anything from the previous actions not discussed below are withdrawn.

**With regard to Claim 1**, Initially, the current examiner finds no objection to use of the word system, as long as it clear that this refers to some electronic or computer implemented system. Thus, Applicants' use of the term "trustee" is irreconcilable with the term "system." As pointed out previously, a trustee could be a financial institution (most likely) or a human person. A human person is unable to be part of a system as that term is understood by the Office. The computing apparatus representing the type of entities discussed above would most likely be satisfactory, so appropriate correction is required.

With regard to use of the terms "means for", the Examiner is aware of the need to look toward the specification to determine the characteristics of the apparatus being claimed. However, as pointed out by the previous examiner, this language is overcome by any system similar to that of Applicants', but not necessarily programmed to implement Applicants' methods.

Finally, Applicants' use of the phrase "one or more Security Receipts" in the preamble is irreconcilable with the phrases in the second and third limitations of Claim 1, referring to "Security Receipts". If only one receipt is being managed, the term "Receipts" is not proper. Appropriate correction is required.

**With regard to Claim 3**, this claim is redundant as to the final limitation of Claim 1, and would amount to provisional double patenting if not cancelled.

***Claim Rejections - 35 USC § 103***

The text of 35 U.S.C §112 not included in this action can be found in a prior Office Action. Claims 1-6,24-25,30,34,39 are rejected under 35 U.S.C. 103(a) as being unpatentable over TLBHOLDERS in view of Wallman, U.S. Patent #6601044.

**With regard to Claim 1**, TLBHOLDERS teaches the system comprising:

a Trustee holding the underlying securities;  
(Page 2, "What are HOLDERS"; Page 5, "Description of HOLDER's", 1<sup>st</sup> para.)

means for generating Security Receipts having said beneficial interest, based on said underlying securities; and (Page 3, "Who is the Coordinator and What is its Role?"; Page 5-6, "Description of the Deposit Agreement")

means for (i) accepting a further deposit from a Depositor of underlying securities in exchange for one or more newly issued Security Receipts,  
(Page 4, "How do I Deposit my Telebras Shares in Order to Receive HOLDERS?")

or (ii) canceling a Security Receipt in exchange for transferring the underlying securities to an owner of said Security Receipt.  
(Page 6, "Description of the Deposit Agreement", 3<sup>rd</sup> para.)

TLBHOLDERS does not expressly teach a system wherein the underlying securities are from pre-existing securities, as described in the pre-amble. However, in an analogous patent, Wallman discussing a customizable portfolio of securities in a fund wherein the securities are from preexisting companies. See (Wallman, Col. 15, line 11 – Col. 16 line 22). Further, it would have been obvious to one of ordinary skill in the art at the time applicants' invention was made to combine the teaching of TLBHOLDERS, relating to a system for managing Security Receipts, evidencing a beneficial interest in underlying securities, with the teachings of Wallman, relating to providing baskets of preexisting securities. The motivation for such a combination is within the general knowledge of one of ordinary skill in the art, and is simply to enhance the value of a

HOLDR by allowing for pre-existing securities in a market sector that previously had been unrecognized as favorable investments.

With regard to the following limitation:

a computer system with associated memory for storing data relating to the underlying securities and the Security Receipts;

The examiner previously took official notice that electronic systems, with associated memory, for storing data and managing trading and securities systems were old and well known. The examiner provides the Wallman reference as evidence of this limitation. See (Wallman, Col. 9, line 30). It would have been obvious to one of ordinary skill in the art at the time Applicants' invention was made to modify TLBHOLDERS to include express reference to computer implementation with associated memory. The rationale for such a modification is simply to ensure that the system operates as quickly as possible in processing these somewhat complicated transactions. If the Applicants should find this argument unpersuasive, the examiner would equally consider this limitation inherent to the teachings of TLBHOLDERS. That is to say, it is clear that a processing system with associated memory must administer the Telebras HOLDERS program in order to succeed.

**With regard to Claim 2,** TLBHOLDERS teaches the system wherein:

the underlying securities for said Security Receipt have a common characteristic. (Page 2, "How Does this Affect Me?")

**With regard to Claim 3,** TLBHOLDERS teaches the system comprising:

means for accepting further deposits for a newly issued Security Receipt and (Page 4, "How do I Deposit my Telebras Shares in Order to Receive HOLDERS?")

Art Unit: 3624

for canceling a Security Receipt in exchange for corresponding underlying securities.  
(Page 6, "Description of the Deposit Agreement", 3<sup>rd</sup> para.)

**With regard to Claim 4**, TLBHOLDERS teaches the system comprising:

means for trading Security Receipts.  
(Page 2, "What are HOLDERS?", 3<sup>rd</sup> bullet)

**With regard to Claim 5**, TLBHOLDERS does not expressly teach the system comprising:

means for permitting an owner of a Security Receipt to vote an underlying security.

However, this limitation is disclosed in Wallman at (Col. 19, lines 49-61), which demonstrates the passing through of voting rights in a basket of stock holdings. It would have been obvious to one of ordinary skill in the art at the time Applicants' invention was made to combine the teachings of TLBHOLDERS, relating to a system for managing Security Receipts, evidencing a beneficial interest in underlying securities, with the teachings of Wallman, relating to passing through of voting rights. The motivation for such a combination is found in Wallman at (Col. 3, lines 37-46), which describes the need for assigning votes to holders of securities in investment vehicles other than direct ownership.

**With regard to Claim 6**, TLBHOLDERS teaches the system comprising:

means for distributing a dividend granted or other distribution with respect to a security underlying a Security Receipt to the owner of the Security Receipt.  
(Page 6, "Description of the Deposit Agreement", 1<sup>st</sup> para.)



Art Unit: 3624

**With regard to Claims 24-25,30** TLBHOLDERS does not expressly teach the system wherein:

the underlying stock or other securities, in a first and second company, from a particular industry or otherwise, are not part of and have never been part of the same company.

However, Wallman teaches this limitation at (Col. 21, line 63 – Col 22, line 4), which describes the security selection process. Wallman emphasizes that holding two or more companies is better than one company solely. Therefore it would have been obvious to one of ordinary skill in the art at the time applicants' invention was made to combine the teaching of TLBHOLDERS with the teachings of Wallman, to disclose that companies need have always been from a different companies. The motivation for such a combination is found in Wallman at (Col. 5, lines 17-42), which describes the real need for portfolio diversification.

**With regard to Claim 34**, TLBHOLDERS teaches the system wherein:

said beneficial interest comprises the same rights, privileges, and obligations as exist regarding beneficial ownership of individual securities of said underlying securities. (Page 5-6, "Description of the Deposit Agreement")

**With regard to Claim 39**, TLBHOLDERS does not expressly teach the system wherein:

said beneficial interest comprises the right to vote common stock of at least one company corresponding to an individual security of said underlying securities.

However, this limitation is disclosed in Wallman at (Col. 19, lines 49-61), which demonstrates the passing through of voting rights in a basket of stock holdings. It would have been obvious to one of ordinary skill in the art at the time Applicants' invention was made to combine the teachings of TLBHOLDERS, relating to a system for managing

Security Receipts, evidencing a beneficial interest in underlying securities, with the teachings of Wallman, relating to passing through of voting rights. The motivation for such a combination is found in Wallman at (Col. 3, lines 37-46), which describes the need for assigning votes to holders of securities in investment vehicles other than direct ownership.

### ***Conclusion***

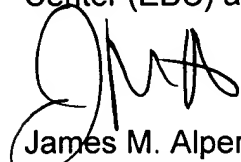
Applicant's amendment necessitated the new grounds of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a). A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to James Alpert whose telephone number is (571) 272-6738. The examiner can normally be reached on M-F 9:30-6:00. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor,

Art Unit: 3624

Vincent Millin can be reached on (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is (703) 872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197.

  
James M. Alpert  
February 20, 2006



VINCENT MILLIN  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 3600

VINCENT MILLIN  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 3600